

# BUDGET LETTER

<b>SUBJECT:</b> YEAR-END FINANCIAL REPORTING REQUIREMENTS	<b>NUMBER:</b> 11-05
<b>REFERENCES:</b> STATE ADMINISTRATIVE MANUAL SECTIONS 7900 ET SEQ. AND GOVERNMENT CODE SECTION 12461.2	<b>DATE ISSUED:</b> March 28, 2011
	<b>SUPERSEDES:</b> BL 10-08

TO: Agency Secretaries  
Department Directors  
Departmental Budget Officers  
Departmental Accounting Officers  
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) reminds state departments of the year-end financial reporting deadlines for fiscal year 2010-11. Year-end reports are due to the State Controller's Office (SCO) as follows:

<b><i>Deadlines and Deliverables</i></b>	
<b>August 1, 2011</b>	General Fund, feeder funds (0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097) and economic uncertainty funds (0374, 0375, and 0377)
<b>August 22, 2011</b>	All other funds
<b>September 1, 2011</b>	Generally accepted accounting principles (GAAP) information, excluding independently audited financial statements
<b>October 3, 2011</b>	Independently audited financial statements

On or before August 22, 2011, departments must submit the Report of Bank/Savings and Loan Association Account Outside the Treasury System, Report 14, to the State Treasurer's Office and the Report of Expenditures of Federal Funds, Report 13, to the Department of Finance (Finance), Fiscal Systems and Consulting Unit (FSCU).

Government Code Section 12461.2 authorizes the SCO to withhold any or all operating funds from a department if that department fails to submit complete and accurate financial reports, as required in the State Administrative Manual (SAM), to the SCO within 20 days from the above due dates.

Requirements for financial reports are included in SAM Sections 7900 et seq. and the SCO's Year-End Financial Reports Instructions. These requirements should be reviewed in order to minimize problems. Departments should also develop a year-end work plan. Work plans are an essential tool in planning and monitoring financial reporting activities to ensure the timely completion of the reports.

Finance, California State Accounting and Reporting System (CALSTARS) training unit, will be offering year-end training classes for CALSTARS departmental accounting staff involved in financial statement preparation. CALSTARS Operations Memo 11-02 contains the Schedule for Fiscal Year 2010-11 Year-End Closing. CALSTARS Operations Memos are available on the CALSTARS website:

[http://www.dof.ca.gov/accounting/calstars/procedures/operations\\_memos/](http://www.dof.ca.gov/accounting/calstars/procedures/operations_memos/).

Other year-end resources include Volume 7 of the CALSTARS Procedures Manual at: <http://www.dof.ca.gov/html/calstars/cpm.htm> and a report checklist at:

<http://www.dof.ca.gov/html/calstars/optools.htm>. Assistance is also available from the CALSTARS Hotline at (916) 327-0100 or e-mail: [hotline@dof.ca.gov](mailto:hotline@dof.ca.gov).

### **Preparation of Past Year Budget Documents**

Past year expenditure and revenue amounts posted on budget documents must reconcile with amounts reflected in year-end financial reports submitted to the SCO. For the General Fund, Finance compares amounts on budget documents to SCO data from year-end reports and asks departments to explain differences. For all other funds, Finance designates an administering organization. This administering organization prepares the Governor's Budget Fund Condition Statement and must reconcile differences between the SCO Annual Report and the Governor's Budget. Departments must provide a written explanation of differences to their Finance budget analyst and to the SCO, Division of Accounting and Reporting.

If you have questions regarding this BL, please contact the FSCU Hotline at (916) 324-0385 or e-mail: [fscuhotline@dof.ca.gov](mailto:fscuhotline@dof.ca.gov).

/s/ Veronica Chung-Ng

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